

1 (No response.)

2 CHAIRMAN JAMES: For those of you who have  
3 not had the chance to meet our Executive Director,  
4 this is Nancy Mohr Kennedy. Her nomination as  
5 Executive Director was unanimously approved at the  
6 last Commission meeting, and Nancy has been very busy  
7 ever since.

8 I want to personally and publicly thank  
9 Nancy for having taken charge of this process and for  
10 the fantastic job that she and the staff are doing in  
11 trying to accommodate our Commission. Thank you,  
12 Nancy.

13 Please, go right ahead.

14 MS. KENNEDY: Thank you, Chairman James.

15 These first three months have been a real  
16 education for me on a subject that is fascinating, as  
17 well as controversial.

18 I want to thank each and every  
19 Commissioner for your support, your outstanding effort  
20 and commitment to this Commission. You each are  
21 exceptionally busy people with enormous  
22 responsibilities. Yet you have responded to our

1 requests for assistance quickly and thoroughly. For  
2 that I thank you.

3 In addition, I want to say that the staff  
4 are superlative in their expertise, work ethic and  
5 attitude. From day one we have all worked very well  
6 together, and I commend them.

7 Since October, three additional staff  
8 members have joined us on North Capitol Street.  
9 Martha Clement Roberts is Deputy Director; Doug Seay,  
10 our new policy analyst; and Janet Newkirk, our  
11 secretary.

12 Martha and Doug are with us, and I hope  
13 that they've had an opportunity to introduce  
14 themselves to each of you on the Commission.

15 As you see by their respective resumes and  
16 biographies at Tab 5, we have secured the commitment  
17 of three highly qualified professionals. Martha is  
18 using her management skills and communication  
19 expertise to make the trains run on time and help keep  
20 the media informed.

21 Doug's technical expertise and analytical  
22 skills have been invaluable as the research staff

1     worked on the RFP.

2                     I know Tim Kelly is grateful for his  
3     assistance, as we all are.

4                     Many of you have already talked to Janet,  
5     who's back in the office running the Commission staff.  
6     She is smart, resourceful, and helps us all  
7     stay organized.

8                     The Acting Administrator of the U.S.  
9     Government Accounting Office has personally committed  
10    to us the loan of a trained economist to assist in the  
11    evaluation of certain research data. We're still  
12    pursuing other agencies for detailees.

13                    In addition, we're trying to secure  
14    interns to help in some administrative aspects of our  
15    work, and we have requests out to several colleges and  
16    universities.

17                    In response the American University in  
18    Washington, D.C., their School of Communications, has  
19    indicated an interest in sending two graduate level  
20    students to our aid for course credit.

21                    While thinking about bringing on an intern  
22    or two, the issue of confidentiality inevitably

1 surfaces. The supplemental operating rules adopted by  
2 the Commission at their last meeting on October 31st  
3 charged the Executive Director with enforcing this  
4 provision. Every member of the staff has read the  
5 article in the U.S. Code regarding the disclosure of  
6 legally confidential information.

7 In addition, the staff is charged with  
8 exercising a level of professional discretion.  
9 Commissioners also have staff who must occasionally  
10 delegate certain responsibilities.

11 Let me respectfully remind you all of this  
12 legal obligation and refer you to the operating rules,  
13 Section 10.

14 Dr. Tim Kelly has been working on  
15 potential cooperative agreements which would meet  
16 our stated research objectives at a shared cost, and  
17 we are presently in conversation with the U.S.  
18 Departments of the Treasury, Justice, and Health and  
19 Human Services on some collaborative efforts that will  
20 meet the mandate of our statute.

21 As you know, the RFP for the national  
22 survey and community database, which you have all

1    seen, will largely prescribe the quality and scope of  
2    our final report.  For more specifics on the status of  
3    the research agenda, I will defer to tomorrow's report  
4    of the Research Subcommittee.

5                You will see in your briefing books under  
6    Tab 6 two budgets.  Please replace the second with the  
7    revised draft budget which was handed out to you just  
8    before the break.

9                The first illustrates our expenditures to  
10   date against our original appropriation of \$4 million.  
11   To date we are on budget.  I'm pleased to point out  
12   that by bringing the minimum staff necessary to run  
13   this meeting and by driving in our "Moo" van we have  
14   already saved the Commission scarce funds.

15               CHAIRMAN JAMES:  Excuse me, Nancy.  Your  
16   what van?

17               MS. KENNEDY:  Our "Moo" van.  We have a  
18   big white van, and the license plate starts with m-o-  
19   o.

20               CHAIRMAN JAMES:  Oh, thank you.

21               MS. KENNEDY:  We didn't plan it that way.

22               We plan to continue in our efforts to

1 husband the money that we've been given by the public  
2 to operate in an efficient, cost effective manner.

3           The second budget is the allocation of our  
4 original appropriation, and my recommended allocation  
5 of the additional \$1 million, which was added by  
6 Congress in their closing days of the last session.

7           Let me draw your attention to the first  
8 column of numbers. At the October 31 meeting,  
9 Commissioner Loescher requested a justification for  
10 the line item for staff compensation. The \$1.7  
11 million figure being considered at that time included  
12 not only staff salaries, but benefits which make up  
13 nearly a third of that line, as well as remuneration  
14 for the Commissioners.

15           Now, please look at the second column.

16           CHAIRMAN JAMES: Excuse me just a minute,  
17 Nancy. Could you refer us to where that is in the  
18 briefing book so Commissioners can catch up with you?

19           MS. KENNEDY: Yes. It's at Tab 6.

20           COMMISSIONER: What's the date on it?

21           COMMISSIONER LANNI: What's the date and  
22 the time?

1 MS. KENNEDY: I'm sorry?

2 COMMISSIONER LANNI: The date on the  
3 document you're referring to. Nothing was distributed  
4 to me today.

5 COMMISSIONER: Nor I. The date on the top  
6 right?

7 COMMISSIONER LANNI: Could you give us the  
8 date that you're referring to?

9 MS. KENNEDY: Martha?

10 COMMISSIONER LANNI: Where's the efficient  
11 Martha?

12 MS. KENNEDY: The efficient Martha --

13 CHAIRMAN JAMES: Martha is evidently  
14 running out for more copies.

15 MS. KENNEDY: -- is running out for more  
16 copies. I apologize. In your book you have --

17 COMMISSIONER LANNI: Ours is dated 1]7]98,  
18 12:03.

19 MS. KENNEDY: Yes.

20 CHAIRMAN JAMES: Is that the one you're  
21 referring to, Nancy?

22 MS. KENNEDY: No. That is the budget

1 report as of the end of December, of the amount we  
2 have spent to this point and the balance.

3 COMMISSIONER LANNI: And we should still  
4 keep that?

5 MS. KENNEDY: yes.

6 COMMISSIONER DOBSON: Here she is.

7 MS. KENNEDY: The second one --

8 CHAIRMAN JAMES: Why don't we just hold  
9 for a second and Martha can distribute that.

10 MS. KENNEDY: Okay. Martha? Okay.

11 I'm sorry that it was not presented to  
12 you. I thought it had been.

13 Okay. Do you want me to go back through  
14 the explanation to Commissioner Loescher's question  
15 about the original 1.7 million or is that all right?

16 CHAIRMAN JAMES: Nancy, why don't you go  
17 back to the beginning of the discussion about the  
18 budget now that we have these in front of us and work  
19 from there?

20 MS. KENNEDY: Okay. All right. You have  
21 two budgets. One budget is the revised budget, which  
22 I sent to the Chair, Commissioners Bible and Leone



1 because the General Accounting Office or, no, the  
2 General Services Administration gave us two days'  
3 notice that they had to have our budget for submission  
4 to OMB, and I sent you the memo at that time.

5 That is the first revised budget which  
6 under staff compensation came to 1.8.

7 In response to Commissioner Bible, we then  
8 revised again, and our new recommendation reflects the  
9 new funding, which -- this is still not right, Martha.  
10 I'm sorry.

11 May we come back to the budget?

12 CHAIRMAN JAMES: Why don't we delay this  
13 portion of the discussion until later and continue  
14 with your Executive Director's report and we'll take  
15 this issue up a little later?

16 COMMISSIONER LANNI: Does that mean we  
17 should discard this document that we were just given?

18 MS. KENNEDY: No, sir.

19 COMMISSIONER LANNI: No, we should hold  
20 onto it.

21 MS. KENNEDY: I'm sorry. Where you have  
22 the three columns, that's where I'm speaking.

1                   COMMISSIONER LANNI: That's on the back of  
2 the document that was just handed to us?

3                   MS. KENNEDY: Yes, sir.

4                   COMMISSIONER LANNI: We're saving money.  
5 Congratulations.

6                   MS. KENNEDY: Yes, sir.

7                   On the front of the document was the --

8                   CHAIRMAN JAMES: Nancy, I'm going to ask  
9 that you delay the discussion on the budget piece  
10 until you've had a chance to look at all of that.  
11 We'll move on with the rest of the Executive  
12 Director's report and perhaps come back to this one a  
13 little later.

14                   MS. KENNEDY: All right. My apologies.

15                   You have just received proposed dates for  
16 the site visits this year. The May date is news to  
17 you. The dates that we proposed earlier by memo of  
18 4/5 and 14, 15, I think, did not work for most people.  
19 the dates of May 20 and 21 are now proposed for your  
20 consideration for the May meeting.

21                   The rest of the dates are the best dates  
22 for the rest of the meetings. All Commissioners seem

1 to be able to meet those dates. So we would like to  
2 have you put those in your book as the dates for the  
3 site visits that will occur during this year.

4 We'll turn now to the work plan.

5 CHAIRMAN JAMES: Do all of the  
6 Commissioners have the suggested dates based on the  
7 staff work with the calendars?

8 COMMISSIONERS: Yes.

9 CHAIRMAN JAMES: You all have that.

10 MS. KENNEDY: The papers that you have  
11 before you on the draft meeting schedule or the work  
12 plan are based upon --

13 CHAIRMAN JAMES: Nancy, could you tell us  
14 where to find the work plan?

15 MS. KENNEDY: I'm sorry. It's at Tab 7.

16 COMMISSIONER LANNI: It was just handed  
17 out though.

18 COMMISSIONER WILHELM: You know, I can  
19 tell you've been doing thorough staff work because  
20 there's no argument that summer is the most cost  
21 effective season to visit Arizona.

22 (Laughter.)

1 MS. KENNEDY: We want to keep you off  
2 those golf courses.

3 The draft schedule that has been put  
4 together is based upon recommendations by the  
5 Commissioners for sites to be visited. We have listed  
6 proposed topic areas, which I'll be glad to go through  
7 with you if you so please. Do you want me to do that?

8 CHAIRMAN JAMES: Why don't you walk us  
9 through that?

10 MS. KENNEDY: All right.

11 CHAIRMAN JAMES: And perhaps tell us a  
12 little bit of the background of the site, where the  
13 suggestion came from, what the staff suggestion is on  
14 that particular point.

15 MS. KENNEDY: All right. The next meeting  
16 is March the 16th and 17th in Boston, Massachusetts.  
17 It was recommended by Commissioner Wilhelm, and the  
18 topics that we would propose be looked at in that area  
19 would be, according to our mandate, the assessment of  
20 state and local revenue and alternatives and the role  
21 of advertising in promoting gambling.

22 Secondary issues would be lottery and the

1 social and economic impact on the area.

2 Also proposed for that part of the country  
3 is Ledyard, Connecticut, the site of the Foxwoods  
4 Casino, which although Boston would be the site of the  
5 hearing, if Commissioners wanted to go up to Foxwoods  
6 for an afternoon or an evening, we certainly could  
7 provide transportation. I believe it's about 90 miles  
8 away.

9 COMMISSIONER: Kay.

10 CHAIRMAN JAMES: Why don't we walk through  
11 the whole thing and then come back for discussion?

12 MS. KENNEDY: Okay. The next site would  
13 be May, Chicago, and May in Chicago instead of  
14 January, and this location has been proposed by  
15 Commissioner Lanni, Leone, and Wilhelm.

16 The proposed topic areas of primary  
17 interest would be review of state policies and  
18 practices with regard to gambling, an assessment of  
19 the interstate effects of gambling by electronic  
20 means, including interactive technologies, and the  
21 role of advertising, again, promoting gambling.

22 The secondary issues would be the

1 parimutuel industry, the offtrack betting, lottery,  
2 rural communities, and at the suggestion of  
3 Commissioner Leone the possibility of looking at the  
4 securities market.

5 CHAIRMAN JAMES: I thought that was an  
6 interesting suggestion, Commissioner Leone.

7 COMMISSIONER McCARTHY: Madame Chair.

8 CHAIRMAN JAMES: The chair recognizes  
9 Commissioner McCarthy.

10 COMMISSIONER McCARTHY: I have two  
11 thoughts. Is this working?

12 CHAIRMAN JAMES: I believe it is. I would  
13 ask all Commissioners to pull them forward and down.

14 COMMISSIONER McCARTHY: I have two  
15 thoughts I want to contribute to this discussion at  
16 this point. One is that while I don't mind  
17 establishing all the dates for the regional site  
18 meetings, I'm not sure we need to finalize every site  
19 throughout the rest of the life of this Commission.  
20 I do think we certainly need to name the next couple  
21 of sites at least so that that's known.

22 The second thought is on the subject

1 matters that we would take up at these sites. My  
2 recollection tells me that at the October 31st  
3 Commission meeting we had a discussion on how we would  
4 try to frame the subjects to be discussed at these  
5 meetings, and it was either a motion or an amendment  
6 to a motion by Commissioner Lanni that suggested that  
7 one subject would be on economic impact, but not on  
8 that universe, but defined within economic impact. A  
9 second subject would be on social impact, of course,  
10 specifically focused on some area, and the third  
11 subject would be on an issue of paramount interest to  
12 the situs or the region in which the Commission was  
13 meeting.

14 I'm hoping that as we go through the --  
15 that there's some logic in the sequence of subjects  
16 that we try to discuss as we look out over the coming  
17 year. We did that with some measure of success at  
18 this meeting, but I really think that if we're aiming  
19 at testimony which will give us data to help shape the  
20 final report that this Commission is going to write,  
21 as well as engage the public in a lot of thinking  
22 about this subject, I think we do need to focus on

1 expert panels and on other approaches while allowing  
2 ample time to hear as many witnesses from the public  
3 as may wish to testify.

4 CHAIRMAN JAMES: Certainly. Having said  
5 that, what I'd like to do in terms of the process  
6 issue at this point is to let Nancy continue to go  
7 through, present her report, and then we can open it  
8 up for discussion, remembering as we go through this  
9 it is a draft document and Commissioners can have the  
10 opportunity to suggest we do or even none of these.

11 So with that in mind, Nancy, I'm going to  
12 ask you to please continue.

13 MS. KENNEDY: Thank you, Madame Chairman.

14 One proposed site for July 29 and 30  
15 would be California, which has been recommended  
16 by Chairman Lanni. A proposed location would be  
17 Inglewood, California, home of the Hollywood Park  
18 Casino.

19 The primary issues are the assessment of  
20 gambling revenue to state and local governments and  
21 state government policies and practices with respect  
22 to the legalization or prohibition of further



1 gambling.

2           The secondary issues are card clubs,  
3 parimutuel betting, and Native American gaming.

4           That is one proposal. The other proposal  
5 for the July visit would be Arizona, which was  
6 proposed by Commissioner Loescher, who's not with us,  
7 and Commissioner Wilhelm, and it's dry out there in  
8 the desert in July. The proposed locations would be  
9 a Native American tribal casino south of the  
10 metropolitan area, Phoenix, the Gila River and Ak-Chin  
11 (phonetic) Indian Reservations. Tempe would provide  
12 the nearest suitable hotel and meeting accommodations.

13           The primary issues proposed would be  
14 federal, state, local, and Native American tribal  
15 government policies with respect to the legalization  
16 or prohibition of gambling and the extent to which  
17 possible alternative revenue sources may exist for  
18 tribal governments. The assessment of the impact of  
19 gambling on depressed economic areas, and a second  
20 issue of casino gambling and intergovernmental issues.

21           In September, the dates of September 10  
22 and 11. We have proposed one of two sites in the

1 State of Mississippi, and these recommendations came  
2 from Commissioners Dobson, McCarthy, Moore, and  
3 Wilhelm. The two proposed locations would be either  
4 Tunica or Biloxi.

5 And the primary issues would be the effect  
6 of gambling on depressed economic areas, the effects  
7 of gambling on small towns and rural communities, the  
8 assessment of the relationship between gambling and  
9 levels of crime, and of existing enforcement of  
10 regulatory practices intended to address any such  
11 relationships, river boat casinos, and then, of  
12 course, the social and economic impact.

13 Tunica, as Commissioner Moore will readily  
14 tell you, not too long ago was a very depressed  
15 backwater that is now a thriving gambling community,  
16 and Biloxi, which is on the Gulf, has river boat  
17 gambling.

18 And last for the year is proposed that we  
19 go to Nevada on the 10th and 11 of November, and  
20 Nevada has been proposed by Commissioners McCarthy and  
21 Wilhelm, and the sites would be Las Vegas or Laughlin.

22 Primary issues would be the Internet,

1 assessment of the interstate and international effects  
2 of gambling by electronic means, including the use of  
3 interactive technologies and the Internet and its  
4 effect on the casino industry and sports wagering.

5 January, we have not proposed a date yet  
6 for you to consider, and this is New Orleans,  
7 Louisiana, which was proposed by Commissioners Bible  
8 and Dobson.

9 The primary issue there would be the relationship  
10 between gambling and levels of crime and existing  
11 enforcement and regulatory practices intended to  
12 address any such relationships, and river boat  
13 gambling.

14 And that concludes the presentation on the  
15 work plan, and I open it up for discussion.

16 CHAIRMAN JAMES: Yes, John.

17 COMMISSIONER WILHELM: Going back to Leo's  
18 two points, I thoroughly agree with Leo's second  
19 point, and I think that's an approach to building  
20 these agendas that would be much more useful.

21 I respectfully disagree with Leo's first  
22 point. I believe it's imperative that we figure out

1 now not only the dates that we're going to go places,  
2 but also where, and the reason for that is I don't  
3 think we have any way of knowing what we ought to look  
4 at at an early site visit without knowing where we're  
5 going to go at a later site visit because the later  
6 site visit might be a better place to look at a  
7 certain thing. So I think we should nail them all  
8 down.

9 If I might just make a couple of other  
10 comments on the draft work plan.

11 CHAIRMAN JAMES: One other question for  
12 point of clarification.

13 COMMISSIONER WILHELM: Yes.

14 CHAIRMAN JAMES: Nancy, I know that you  
15 are aware of the direction about, you know, the  
16 primary subject and then social and economic, and I  
17 want to be clear that nothing that was recommended  
18 here had any conflict with the resolution that was  
19 passed by the Commission as a whole. Is that, in  
20 fact, the case?

21 MS. KENNEDY: As far as I understand it,  
22 yes.

1                   CHAIRMAN JAMES:  Yes, and so, I think  
2   there's no deviation from that in terms of  
3   looking at the primary focus and then the social and  
4   then the economic.

5                   I'm going to let John go ahead and finish  
6   and then I'll --

7                   COMMISSIONER WILHELM:  I think Leo wants  
8   to respond to that particular point.

9                   COMMISSIONER McCARTHY:  Yes.  I think  
10  Nancy's just picking up on a very early conversation  
11  by different members of the Commission and by  
12  proposals coming from various Commissioners for the  
13  most part and the subjects that are being recommended.  
14  So I didn't view this as any -- I just don't think  
15  we've thought through very well the subjects that I  
16  think we need to get into in a cohesive way.  That's  
17  what I was trying to get at.

18                   So it's not staff's fault, but the  
19  Commission has to make up its own mind after some good  
20  discussion.

21                   MS. KENNEDY:  Commissioner, these were  
22  proposed for provoking conversation and discussion for

1 your thoughts, and it is my hope at least that we can  
2 decide on some dates and some locations.

3 The staff has been working on these  
4 for over two months, and if we can get a little ahead  
5 of ourselves it would be helpful.

6 CHAIRMAN JAMES: John.

7 COMMISSIONER WILHELM: I'll just go  
8 through these in order and make a couple of comments.

9 With respect to Massachusetts and  
10 Connecticut, I wasn't necessarily suggesting that the  
11 Commission should pick itself up and move. These  
12 places aren't very far apart. So to me if we're going  
13 to meet in Boston, that's fine, and I think there's a  
14 wide range of hotels available in Boston, and --

15 CHAIRMAN JAMES: That have room service.

16 COMMISSIONER WILHELM: At least that have  
17 coffee in the morning. We have those in Atlantic  
18 City, too, actually, but at any rate --

19 (Laughter.)

20 COMMISSIONER WILHELM: -- or if we were  
21 going to meet in Connecticut. Either way I think it's  
22 perfectly feasible to take a look both at lottery

1 related issues, as well as at Foxwoods, either place.  
2 So I wasn't trying to suggest we should move one place  
3 or the other.

4                   And I agree with Commissioner Loescher  
5 that Foxwoods is not representative of Native American  
6 casinos. Foxwoods is not representative of anything  
7 other than itself. It's the biggest casino in the  
8 world, the most profitable casino in the world. I  
9 think we'd be derelict in our duty if we didn't look  
10 at it, and I would suggest that we take a bus trip  
11 down there if we're going to meet in Boston. Either  
12 that or we meet down there and take a bus trip to  
13 Massachusetts. Either way, they're very close.

14                   With respect to the proposal for Illinois,  
15 I would --

16                   COMMISSIONER LANNI: Excuse me, Madame  
17 Chair. Maybe we could each address each location,  
18 John, if that's acceptable.

19                   CHAIRMAN JAMES: Let's talk about a  
20 process working through the work plan, and what I'd  
21 like to suggest is that we first agree on the dates,  
22 and I think that staff having worked very hard

1 with our individual schedulers that we can agree that  
2 those will, in fact, be the dates.

3 COMMISSIONER LANNI: Is a motion in order?

4 CHAIRMAN JAMES: I would be happy to  
5 entertain a motion.

6 COMMISSIONER LANNI: I would move that we  
7 approve the dates as recommended by staff based upon  
8 conversation with individual Commissioners.

9 COMMISSIONER WILHELM: I second it.

10 CHAIRMAN JAMES: It has been properly  
11 moved and seconded. Call for the vote.

12 All in favor.

13 COMMISSIONER McCARTHY: Discussion.

14 CHAIRMAN JAMES: Discussion, yes. Leo.

15 COMMISSIONER McCARTHY: Have specific  
16 dates in each of these months already been cleared by  
17 each member of the Commission?

18 MS. KENNEDY: Yes, sir.

19 COMMISSIONER McCARTHY: Except for May, as  
20 you pointed out.

21 MS. KENNEDY: Except for May. I sent a  
22 memo out to each Commissioner and asked you to rank



1 responses, and your response was please remember not  
2 to make me travel on Friday if you can help it, which  
3 I've managed to do except for one.

4 CHAIRMAN JAMES: And I would say that I  
5 would beg the Commissioners' indulgences here.

6 (Laughter.)

7 CHAIRMAN JAMES: This is an  
8 extraordinarily difficult job to try to pull this  
9 group of people together. So it's not going to  
10 accommodate everyone's schedule every time.

11 COMMISSIONER DOBSON: I don't want to  
12 travel Sunday through Thursday.

13 (Laughter.)

14 CHAIRMAN JAMES: Well, there you go.

15 COMMISSIONER McCARTHY: I might mention  
16 parenthetically that Mr. Wilhelm and myself have been  
17 to the Denver airport several times.

18 (Laughter.)

19 COMMISSIONER McCARTHY: Of course, when I  
20 said let's not travel on Friday I was going to try to  
21 keep us out of the airports. I was viewing that for  
22 my own convenience. I'm willing to suffer any burden.

1 It was the rest of the Commission that I had --

2 MS. KENNEDY: There are a number of  
3 you that are out West, and you made the request for  
4 more than yourself.

5 COMMISSIONER McCARTHY: I did. Thank you.

6 COMMISSIONER WILHELM: You're already  
7 suffering an --

8 (Laughter.)

9 CHAIRMAN JAMES: Having said that, are  
10 there any other --

11 COMMISSIONER McCARTHY: But we have  
12 cleared specific days in each of these months?

13 CHAIRMAN JAMES: Yes.

14 COMMISSIONER McCARTHY: I'm sorry. With  
15 the exception of May.

16 CHAIRMAN JAMES: With the exception of  
17 May, Leo. With the exception of May.

18 Yes, John.

19 COMMISSIONER WILHELM: I don't personally  
20 have any problem with this, but I do want to just  
21 point out for the information of the Commissioners  
22 that November 11th is Veterans Day. I don't know if

1 that's -- I'm accustomed to working on holidays, as  
2 are many of you. I have no problem with that, but I  
3 want to be sure that we're not inadvertently offending  
4 veterans.

5 CHAIRMAN JAMES: Well, we had Veterans  
6 Day. We had St. Patrick's Day. We even had you  
7 traveling at one point on Mother's Day, John, but  
8 we --

9 COMMISSIONER WILHELM: Well, I know the  
10 staff was working on Martin Luther King's Day, too.  
11 So it's been very nonpartisan. I agree with you.

12 CHAIRMAN JAMES: Absolutely, absolutely.  
13 It is a very difficult task, and I do want to commend  
14 the staff, to try to come up with dates for this  
15 Commission.

16 Having said that, they do have --

17 COMMISSIONER McCARTHY: Another question  
18 on --

19 CHAIRMAN JAMES: -- they do have a  
20 recommendation for us.

21 COMMISSIONER McCARTHY: -- on sites on Mr.  
22 Lanni's motion. How many --

1                   CHAIRMAN JAMES: Excuse me just a minute,  
2 Leo. I will recognize you in just a second.

3                   They have done an extraordinary job of  
4 coming up with this, and what I want to do at this  
5 point is to limit our discussion to a discussion of  
6 the dates and see if we can get past that one. Then  
7 we will get on to looking at some of the other issues  
8 that are very important and relevant to all of us.

9                   Is there is any more discussion on the  
10 dates?

11                  COMMISSIONER McCARTHY: How many  
12 additional dates were --

13                  CHAIRMAN JAMES: The chair recognizes Mr.  
14 McCarthy. What was your question, Mr. McCarthy?

15                  COMMISSIONER McCARTHY: How many  
16 additional dates and additional sites will we be  
17 considering?

18                  MS. KENNEDY: Beyond this, what I just  
19 reported as far as site visits? That would be all.

20                  CHAIRMAN JAMES: Well, I'm not sure staff  
21 is in a position to answer that question because I  
22 think the Commission will decide if there are

1 additional dates or if there are additional sites.

2 COMMISSIONER McCARTHY: Let me propose --

3 MS. KENNEDY: But that's all we're  
4 proposing.

5 COMMISSIONER McCARTHY: Let me pose the  
6 question to the chair.

7 CHAIRMAN JAMES: It's not the chair's  
8 prerogative. This Commission will decide if there --

9 COMMISSIONER McCARTHY: Does the chair  
10 have any ideas on the subject?

11 CHAIRMAN JAMES: The chair does not have  
12 a predisposition on this.

13 COMMISSIONER WILHELM: Just in the stuff  
14 that was handed out quite recently -- and I don't know  
15 if you've had a chance to look at it -- there is a  
16 draft. There's a document entitled "Draft Commission  
17 Time Line," which talks about various other meetings  
18 toward the end of the process, retreats and surrenders  
19 and --

20 (Laughter.)

21 CHAIRMAN JAMES: The chair recognizes  
22 Commissioner Leone.

1                   COMMISSIONER LEONE: Yes. In the  
2 interest of moving along and --

3                   CHAIRMAN JAMES: Thank you.

4                   COMMISSIONER LEONE: -- common sense, I'm  
5 not exactly sure what you're getting at, Leo. I think  
6 we could certainly add dates. I think at this point  
7 why don't we concentrate on whether there's an  
8 objection to these dates? We need at least some  
9 meetings on the schedule.

10                  COMMISSIONER McCARTHY: My point, if I may  
11 answer --

12                  COMMISSIONER LEONE: Could we move on  
13 these dates and at least lock them up to the extent we  
14 can?

15                  CHAIRMAN JAMES: The Chair recognizes  
16 Commissioner McCarthy.

17                  COMMISSIONER McCARTHY: My reason for the  
18 question about whether there are any additional sites  
19 and, therefore, subjects or not was as we move along,  
20 I'm learning a great deal more about the nature and  
21 character of gambling in America, and I know the other  
22 members of the Commission that aren't associated with

1 the industry are learning a good deal more, and it may  
2 be that there's a compelling logic to hold meetings of  
3 the Commission at other sites on other subjects that  
4 don't even occur to us at this moment.

5 CHAIRMAN JAMES: Well, let's be very  
6 clear. At this point the question that is before the  
7 Commission is simply a question of whether or not we  
8 can agree on these dates. That's not say that there  
9 may not be additional dates, that the Commission may  
10 change its mind, that the Commission may even decide  
11 to change one of the dates that we're voting on right  
12 now, but it's very important for staff and for us for  
13 our personal schedules to be able to at least have  
14 some process in place by which we can plan.

15 And so you have the dates in front of you.  
16 Is there any further discussion on these dates? And  
17 let's be clear. Let me say it one more time. That's  
18 not to say that we are settling anything in terms of  
19 topics to be discussed or whether or not there will be  
20 additional or even fewer sites. At this point we're  
21 just trying to formalize some meeting dates for the  
22 Commission.

1 COMMISSIONER LANNI: Madame Chairman.

2 CHAIRMAN JAMES: The Chair recognizes  
3 Commissioner Lanni.

4 COMMISSIONER LANNI: For the record, I  
5 think those are the five dates that Ms. Kennedy is  
6 suggesting, not including the January '99 date because  
7 there is no date or location.

8 CHAIRMAN JAMES: Correct. That's correct.

9 With that I would like to call for the  
10 vote. All in favor signal by saying aye.

11 (Chorus of ayes.)

12 CHAIRMAN JAMES: All opposed?

13 (No response.)

14 CHAIRMAN JAMES: Thank you.

15 Now we have dates. Having done that, I  
16 think in terms of process it would be important at  
17 this point for us as a Commission to talk about  
18 whether or not we want to settle at this point what  
19 will be discussed at each of those Commission  
20 meetings, and also I want to reiterate that it is the  
21 chair's desire to make sure that we follow strictly  
22 the resolution that was passed by the Commission in



1 terms of the format of what those meetings would look  
2 like, and I think it's the intention of the staff to  
3 follow that as well.

4               So we have the dates. We have the format  
5 for what those meetings are, and if it is the desire  
6 of the Commission, now I think it would be appropriate  
7 to talk about what would happen at each of those  
8 meetings.

9               The chair -- oh, yes.

10              COMMISSIONER WILHELM: Including or  
11 excluding place?

12              CHAIRMAN JAMES: Including, including  
13 place, because I think place can't be separated from  
14 the subject.

15              COMMISSIONER WILHELM: Agree.

16              CHAIRMAN JAMES: Because it makes more  
17 sense to have certain discussions in certain places.

18              The chair recognizes Commissioner Leone  
19 and then Commissioner Dobson.

20              COMMISSIONER LEONE: I want to modify  
21 something I said at an earlier meeting. At one point  
22 it seemed to me, and it still seems to me, if you

1   assume away certain problems that we could, in the  
2   interest of giving people a chance to be heard and  
3   locations an opportunity to be visited, imagine some  
4   sessions conducted by subcommittees so that we, an  
5   economist would say, would be more efficient to do  
6   that since we all can read, to read the reports.

7               As a practical matter, as I looked at this  
8   and thought about the topics and thought about the  
9   difficulty of getting good presentations on the  
10   substantive and the size of our staff, it seems to me  
11   that a meeting every other month is a lot, in effect,  
12   for the staff to accomplish, and I think we would make  
13   a mistake if that's all the staff was doing, was the  
14   logistics and organizing the meetings.

15              And I suspect that that will be already  
16   more true than might make some sense. So my only  
17   comment is as we go forward while I had a lot of ideas  
18   about other things we might do, and I think other  
19   Commissioners do, and I think Leo is absolutely right.  
20   As we get into it, other things seem interesting. As  
21   a practical matter, given our resources, I don't know  
22   how many meetings we can have between now and the end

1 of the year and have good meetings, effective  
2 meetings, where we do a good job of giving people a  
3 chance to come forward and set up the right kind of  
4 panels and make sure we get coffee.

5 CHAIRMAN JAMES: Commissioner Dobson.

6 COMMISSIONER LEONE: I think this might be  
7 enough.

8 COMMISSIONER DOBSON: I agree with Leo  
9 that I don't think we ought to lock in our topics just  
10 on the basis of what we heard today. I tried to get  
11 that information down, and there were aspects of the  
12 list that troubled me if I understood it correctly.

13 There were three separate proposals  
14 regarding the stuff of Internet gambling and only one  
15 that dealt with problem and pathological gambling, and  
16 so there are some other problems with that.

17 I agree, as I said, with Leo. I would  
18 like to not make those decisions early on like this  
19 and leave ourselves some flexibility for what we do  
20 down the road.

21 CHAIRMAN JAMES: Commissioner Wilhelm.

22 COMMISSIONER WILHELM: I don't disagree

1 with that. I would like for us to try to  
2 preliminarily designate topics, but I would agree they  
3 need to be kept flexible as we progress.

4 Do you want to discuss the places one at  
5 a time or do you want to discuss all of the places?

6 CHAIRMAN JAMES: I think we could keep it  
7 open because if you start talking about whether or not  
8 we ought to go here, it's going to be balanced against  
9 whether or not we go there. So let's keep it on all  
10 of the subjects.

11 COMMISSIONER WILHELM: All right. Well,  
12 I had made some comments about New England. Can I  
13 make comments about other places?

14 CHAIRMAN JAMES: You certainly may.

15 COMMISSIONER WILHELM: With respect to  
16 Illinois, I would hope that Commissioner Leone who  
17 knows a great deal more about securities than  
18 certainly I do, which is saying nothing, but probably  
19 than most of us, would be very much involved in the  
20 preparation of that agenda. I think that's an  
21 interesting topic for this group.

22 With respect to California in July and

1 Arizona, I don't know. There's not a wide selection  
2 of hotels in Inglewood. I don't know if it's possible  
3 to literally meet in Inglewood, and I don't know that  
4 Commissioner Lanni's original suggestion was  
5 necessarily literally to meet in Inglewood, but I  
6 certainly think it makes sense to meet in Southern  
7 California because I think if we thought about it and  
8 planned it, we could combine southern California and  
9 Arizona.

10 On the other hand, Arizona could, I think,  
11 quite easily be combined with southern Nevada. That's  
12 another possibility.

13 But I think Southern California and  
14 Arizona could be combined in some fashion, and having  
15 said that, I think that we ought to go to Foxwoods.  
16 I think that Commissioner Loescher is 100 percent  
17 correct that we very much need to take a look at the  
18 kinds of tribal casinos that are in Arizona. I think  
19 he's absolutely right about that.

20 And I don't think that Southern California  
21 Native American casinos are a good substitute for  
22 that, and the reason that I have that opinion is that

1   there's this enormous controversy in California which  
2   I think is within the Commission's purview certainly  
3   about the intergovernmental relations issue as it  
4   relates to Native American casinos, but I think that  
5   the Arizona casinos would allow us to look at Native  
6   American casinos of a very different kind from  
7   Foxwoods without getting directly dragged into those  
8   controversies in California. I think that would be  
9   advisable.

10               With respect to Mississippi, I would defer  
11   to Dr. Moore as to which end of the state we ought to  
12   go to, but I think we can certainly look and talk  
13   about both ends of the state, no matter which end of  
14   the state we go to.

15               CHAIRMAN JAMES: Let's be clear. The only  
16   thing the chair feels strongly about is we're going to  
17   Mississippi.

18               (Laughter.)

19               COMMISSIONER WILHELM: Having read the  
20   Atlantic City press earlier this week --

21               CHAIRMAN JAMES: Absolutely.

22               COMMISSIONER WILHELM: -- I'm confident of

1   that.

2                   And finally, I do think it makes a great  
3   deal of sense to go to -- and I confess to not being  
4   objective on this, Jim -- to go to -- a little joke --  
5   to go to Las Vegas and also Laughlin, which are 90 miles apart.  They're two  
6   excellent --  
7   they're very different kinds of places and both worth  
8   looking at.

9                   And I would recommend that we do not look  
10  for a hotel in Bull Head City, Arizona, which is the  
11  town of Laughlin.

12                  With respect to January 1999, I continue  
13  to have reservations about going to Louisiana for the  
14  reasons the staff has noted here on this paper, but  
15  more importantly, I do not believe we should go  
16  anywhere after the end of 1998, and the reason for  
17  that is that according to the draft work plan that we  
18  were given this morning -- and this makes sense to me  
19  -- we're going to be diving into the completion and  
20  presumably following upon that the examination of the  
21  research findings, which will presumably be very  
22  voluminous and very complicated.

1           The drafting of the report and the  
2   completing of the report, and we have to do all of  
3   that between January and April, and I think that's an  
4   overwhelming amount of work.

5           So both for the reasons that Commissioner  
6   Leone was pointing out in terms of the staff  
7   resources, but also in terms of the time of the  
8   Commissioners, none of whom do this for a living, I  
9   don't think we ought to go anywhere after the end of  
10  1998.

11           Thank you.

12           COMMISSIONER LANNI:  Madame Chair.

13           CHAIRMAN JAMES:  Commissioner Lanni.

14           COMMISSIONER LANNI:  If I may on a couple  
15  of issues, in no particular order other than the  
16  manner in which they're presented by staff here, on  
17  the first point relative to Massachusetts, I have a  
18  question.  The indication is the primary issues are  
19  assessment of state and local revenues and  
20  alternatives and the role of advertising and promoting  
21  gambling.  Secondary issues are the lottery.

22           Now, unless I misunderstand, or maybe



1 staff has a better understanding of the fact that  
2 lottery is not gambling, to me unless you have a  
3 predestination to the numbers that are available, to  
4 me that's a form of gambling, and I don't understand  
5 how that seems to be excluded here in the verbiage.

6           The secondary issue is lottery. To me  
7 advertising is a significant factor in the lottery.  
8 It is a form of gambling I think by anyone's  
9 definition. So I'm a little confused on that.

10           Also I'm a little confused as to why we  
11 would go to Boston itself because other than the  
12 lottery and racetracks in the surrounding area, horse  
13 racetracks, I'm not sure what other forms of legalized  
14 gaming exist in Boston. So I'm a little confused  
15 about that.

16           Secondarily, on another issue is --

17           CHAIRMAN JAMES: Should we address that  
18 one, too, before we move on?

19           COMMISSIONER LANNI: Sure, if you would  
20 like to.

21           CHAIRMAN JAMES: Sure.

22           MS. KENNEDY: It's on the list because it

1 was proposed by a member of the Commission.

2 COMMISSIONER WILHELM: Since my name is  
3 tagged on that, I had suggested that we go to New  
4 England. I haven't read the transcript lately. I  
5 don't remember whether I specifically said  
6 Massachusetts versus Connecticut, and I have two  
7 reasons, both of which are reflected here.

8 One of them is Foxwoods, which again I  
9 think is a phenomenon that has to be looked at, and  
10 the other one is the lottery because the Massachusetts  
11 lottery is representative of one of the more  
12 aggressive forms of lottery and because it's my  
13 understanding that the people of Massachusetts bet  
14 more per capita on the lottery than anyplace else.

15 I don't, however, as I said earlier, think  
16 that there's any particular need to go to Boston per  
17 se. We could go to eastern Connecticut or we could go  
18 to Worcester, which is halfway, you know, which is in  
19 Massachusetts very close to Foxwoods. There's lots of  
20 places you could go. I don't think there's any  
21 particular magic in Boston, although I love the city.

22 COMMISSIONER LANNI: I think Boston is

1 also a lovely place to be and I would enjoy being  
2 there, and that's not an issue. I think being in  
3 Boston is fine. I'm really more interested in seeing  
4 the lottery since it's a significant aspect, along  
5 with horse racing, in that area the primary discussion  
6 matter, and I don't understand, again, why the lottery  
7 would be excluded in this format from what would be  
8 legalized gambling because it clearly is gambling.  
9 Those are the two concerns I have.

10 I think Boston is fine. I think the  
11 various representatives of the government relative to  
12 the lottery are probably based there. So that's a  
13 logical place to be.

14 I think the visit to Foxwoods is logical,  
15 and I certainly understand Commissioner Loescher's  
16 position on that particular issue, but it is a  
17 significant factor in gambling, if not a logical  
18 comparison to normalized Native American gaming.

19 So I would support that. I just, again,  
20 think the lottery should be part of the primary, not  
21 the secondary.

22 CHAIRMAN JAMES: Nancy, just for the

1 record I wanted to give you an opportunity to respond  
2 to that.

3 MS. KENNEDY: Where we stated primary,  
4 we're reflecting back on the legislation, and the  
5 legislation talks about advertising, and the example  
6 they use is lottery. So that's --

7 CHAIRMAN JAMES: But there was no attempt  
8 to indicate that lottery was not gambling?

9 MS. KENNEDY: No.

10 COMMISSIONER LANNI: But the document hear  
11 in my humble reading, and it's only my opinion, but  
12 it's an opinion which I respect obviously, is --

13 (Laughter.)

14 COMMISSIONER LANNI: -- that the secondary  
15 issue is lottery. So I just think it should be not a  
16 secondary issue. One could argue that it's excluding  
17 lottery from gambling, and I don't think that is a  
18 logical approach.

19 CHAIRMAN JAMES: Duly noted.

20 MS. KENNEDY: We just switch it right back  
21 up to primary.

22 CHAIRMAN JAMES: Commissioner Bible.

1                   COMMISSIONER BIBLE: I think our  
2 discussion when we first talked about this area was  
3 the Commission's visit to Massachusetts would explore  
4 the lottery, the lottery's advertising practices, and  
5 in conjunction with that particular meeting we would  
6 go down to Foxwoods and take a look at the tribal  
7 opportunity that's offered there, with the  
8 understanding that it may not be representative of  
9 tribal gaming throughout the United States.

10                  CHAIRMAN JAMES: And that's why I think  
11 it's important if we do do that particular visit that  
12 we balance it with a visit to Arizona and to some  
13 other form of Indian gaming just so that we can have  
14 some comparisons because Foxwoods is, indeed, an  
15 extraordinary --

16                  COMMISSIONER BIBLE: Yeah, and I think in  
17 terms of the tribal gaming, I think we can put  
18 together a balance, and there's a suggestion we take  
19 a look at the opportunities in Palm Springs, which  
20 arguably are not being conducted legally, perhaps  
21 compare and contrast those particular operations with  
22 the operations over in Arizona.

1                   COMMISSIONER LANNI:  Madame Chair, if I  
2 may continue.

3                   CHAIRMAN JAMES:  Yes, please, Mr. Lanni.

4                   COMMISSIONER LANNI:  On the issue of the  
5 Hollywood Park -- and I think the dates are fine, and  
6 I compliment the staff for what is obviously a very  
7 difficult task trying to get all of these dates  
8 together, especially when some people don't like to  
9 travel on Fridays.

10                  But the issue to me is when you take a  
11 look at it, horse racing is an important aspects as I  
12 understand it, a listed area in which we should be  
13 evaluating it, and if we visit Hollywood Park on July  
14 29th through the 30th, we will have a very difficult  
15 time seeing a live horse there because if you have any  
16 involvement in horse racing, they move on down to Del  
17 Mar.  I think about the 23rd of July or thereabouts  
18 will be the closing date at Hollywood Park.

19                  There is a card club at Hollywood park  
20 also.  Possibly the Commission --

21                  CHAIRMAN JAMES:  Can you see why your  
22 contribution to this Commission is so invaluable?

1                   COMMISSIONER LANNI: I knew at some point  
2 it would come to light. I just wasn't quite so sure  
3 it would be this soon.

4                   (Laughter.)

5                   COMMISSIONER LANNI: The issue would be to  
6 me that possibly we could cover some broader areas by  
7 moving that meeting instead of Hollywood Park south to  
8 San Diego because three very large Native American  
9 gaming operations are within that area. The Borona  
10 Tribes is one, the Siquan, and one other tribe which  
11 I cannot recall at the moment.

12                  PARTICIPANT: Viejas?

13                  COMMISSIONER LANNI: Viejas in that area,  
14 three of them.

15                  That would give us an opportunity to visit  
16 some very active gaming operations in that part of the  
17 state. It also might afford us the opportunity to go  
18 from there over to Arizona, although most of the  
19 intelligent people are called "Zonies" when they come  
20 to California during July and August because it is so  
21 hot in Arizona, but we could go on that on a second  
22 day on over to Arizona and cover the Native American

1 operations there that are more modest, very frankly,  
2 than the ones that exist in the Viejas, the Borona,  
3 and the Siquan tribes in Southern California.

4               So that would be my recommendation, with  
5 all due respect to my friend, Dee Hubbard, the Chief  
6 Executive Officer of Hollywood Park, that we move that  
7 on down south to Del Mar, which I might add is not a  
8 bad place to visit either.

9               COMMISSIONER WILHELM: I suppose we'll  
10 have to ask the General Counsel of the Commission  
11 whether we can be on either horses in general or your  
12 horses at Del Mar.

13               (Laughter.)

14               COMMISSIONER LANNI: My horses are  
15 somewhat like Joey Brown, the comedian, who said he  
16 used to follow his horses and his horses followed  
17 horses. My ownership of horses represents that quite  
18 well.

19               CHAIRMAN JAMES: Additional discussion on  
20 the proposed sites and topics?

21               (No response.)

22               CHAIRMAN JAMES: May I suggest this then



1 at this point? I'd like to have the staff go back  
2 based on the conversations that we've had today and  
3 redraft this with in mind that all of this is in  
4 draft. It is at the will of the Commission. It can  
5 be changed at any point, but to look at changing that  
6 site visit in California, to look at some of the other  
7 suggestions that are made by the Commission.

8 Let me say this.

9 COMMISSIONER LANNI: Madame Chair. I'm  
10 sorry.

11 CHAIRMAN JAMES: Yes.

12 COMMISSIONER LANNI: There's one other  
13 point, if I may.

14 CHAIRMAN JAMES: Absolutely. Commissioner  
15 Lanni.

16 COMMISSIONER LANNI: Relative to a very  
17 important area that I think the Commission has every  
18 reason, logic, and appropriate response to review is  
19 Internet gaming and the status of it. It is suggested  
20 that that be on the agenda for the Nevada visit, be it  
21 Laughlin, Las Vegas, or a combination thereof.

22 If one takes a look at some of the

1 activities that exist for Internet gaming at this  
2 time, many of them are based offshore. I don't think  
3 we want to go to the West Indies or Aruba, although  
4 that might be rather nice also.

5           There are certain lawsuits that have been  
6 filed in the Midwest of the United States on Internet  
7 gaming, and it might be more appropriate to add that  
8 to the agenda for the Chicago visit since we might be  
9 able to call upon people who have a better  
10 understanding of the practicalities of it, including  
11 people possibly somewhat involved in those suits if  
12 they're able, with counsel's advice, to present any  
13 activities at that point.

14           CHAIRMAN JAMES: That's a good point.

15           COMMISSIONER BIBLE: It's already on  
16 there.

17           COMMISSIONER LANNI: But it was suggested  
18 for Las Vegas. I'm suggesting that the --

19           COMMISSIONER BIBLE: No, it's on the site  
20 for Illinois also, and it would seem to me --

21           COMMISSIONER LANNI: Oh, I missed that.  
22 I'm sorry.

1                   COMMISSIONER BIBLE:  -- Missouri and  
2 Minnesota have active litigation.

3                   COMMISSIONER LANNI:  Right.  That's why I  
4 suggested the Midwest.

5                   CHAIRMAN JAMES:  Rather than those sites.  
6 I think that's a good suggestion.

7                   COMMISSIONER BIBLE:  But in terms of  
8 process, maybe a question to Nancy.  How much lead  
9 time do you need in terms of site and site selection  
10 to start planning for it?

11                  MS. KENNEDY:  Well, my experience is I've  
12 been on the job almost three months, and it's been a  
13 real scramble.  At least two months.  We've already  
14 had an advance trip up to Boston to look around.  I  
15 would like to at least have two in front of me so that  
16 as we are doing the finishing touches on one meeting  
17 we have already started the process on the next.

18                  COMMISSIONER BIBLE:  In terms of process  
19 then we probably should select the next two sites.  We  
20 should have the understanding as we move through the  
21 calendar that each meeting we will discuss the  
22 upcoming agenda for the next meeting because new

1 topics are going to arise and stay flexible as we move  
2 and try to accommodate staff to the greatest extent  
3 that we can in terms of setting the meetings.

4 CHAIRMAN JAMES: I don't even think we  
5 need that in the form of the motion. I think there's  
6 general consensus about that.

7 Would we like to then just conform our  
8 discussion at this point to the next two meetings and  
9 resolve those and then leave that open? There's  
10 general agreement on that?

11 John.

12 COMMISSIONER WILHELM: Again, I have no  
13 problem with that with respect to subject, but I would  
14 hope that we could pin down the locations, having  
15 already pinned down the dates, before we leave  
16 Atlantic City if that's possible.

17 CHAIRMAN JAMES: Discussion? Leo.

18 COMMISSIONER McCARTHY: As I was listening  
19 to the discussion here, I was trying to list some of  
20 the major topics that I sense some of the  
21 Commissioners who spoke want to address and ask the  
22 question: which one or two sites are best to hear

1 Indian gambling, you know, all aspects of it;  
2 lotteries; state/federal regulatory practices --  
3 incidentally I think we mentioned just state here. We  
4 should also look at federal regulatory practices.

5 MS. KENNEDY: yes.

6 COMMISSIONER McCARTHY: Internet gambling.

7 And I think each Commissioner has to give  
8 some reasons, if not at this instant, within the next  
9 72 hours to the chair and staff as to why a particular  
10 subject should be heard at one of these sites.

11 There's already been some doubt raised  
12 about going to Boston and what the rationale was, and  
13 I think we had some very loose, generalized  
14 conversation several months ago that we haven't  
15 carried forward on. So I'm not sure whether Boston  
16 makes sense for one of these subjects or not. It may  
17 be that -- and the one subject for Boston was off  
18 Commissioner Wilhelm's suggestion that they have very  
19 aggressive marketing practices. Well, it may be that  
20 a couple of the other states that we are thinking  
21 about for sites also have aggressive marketing, but  
22 for other reasons they might be a more logical place

1 to get into the subject of lotteries.

2 And I think we ought to give a little bit  
3 more thought to that very quickly then we seem to have  
4 given up to this point.

5 I have one final comment. You have  
6 California listed for September. We're going to be in  
7 the middle of a red hot gubernatorial campaign there,  
8 and this subject of gambling may be one of the big  
9 issues.

10 COMMISSIONER: No, July.

11 MS. KENNEDY: July, California.

12 COMMISSIONER McCARTHY: July. Same  
13 comment.

14 This subject may be one of the main  
15 issues. I'd like to think a little bit at least about  
16 the consequences of that and how that might become  
17 involved in that campaign, just as when it came to New  
18 Orleans we were concerned about the contest over the  
19 outcome of the senatorial race down there.

20 You might consider flopping California so  
21 that it's in November. That doesn't address the  
22 subjects to be handled in the Southern California, but

1 it does address that it's an issue that I'm conscious  
2 of, and maybe nobody else on the Commission cares too  
3 much about that, but I give it to you for your  
4 thought.

5 CHAIRMAN JAMES: Commissioner Lanni.

6 COMMISSIONER LANNI: One thing. I think  
7 a lot of what Leo's suggesting does make sense. One  
8 are, I think, to clarify it, if I understood it  
9 correctly, the concern about going to Louisiana was  
10 not based upon the outcome of the senatorial election.  
11 I think it had to do with a certain litigation  
12 relative to impropriety, alleged impropriety, in the  
13 voting, and I think there was concern that we would be  
14 throwing ourselves in the midst of litigation, and  
15 that could be a problem.

16 I'm not bothered by the fact that we have  
17 political processes, and if Attorney General Lundgren  
18 and Senator Feinstein are in a heated battle for  
19 governor, that's fine with me.

20 COMMISSIONER: She went through yesterday.

21 COMMISSIONER LANNI: She went through. So  
22 there is one battle that doesn't exist any longer.

1 (Laughter.)

2 CHAIRMAN JAMES: Having said that, I would  
3 -- just even a cursory look at the transcripts of our  
4 last meetings together, we have spent an extraordinary  
5 amount of time talking about these subjects and with  
6 Commissioners giving their ideas and their opinions  
7 about where we ought to go. At some point we need to  
8 fish or cut bait, and I think we're at the point where  
9 we've now agreed on dates. What I'd like to do is see  
10 if there's anyone who would like to make a motion that  
11 we agree on locations, and then we can talk about --  
12 and I think that was a very good suggestion that we  
13 only do subject matters two meetings out -- just for  
14 the purpose of planning and for the purpose of staff  
15 having the opportunity to prepare the Commission for  
16 those meetings.

17 But I would like at some point to move the  
18 process along because, you know, we continue to have  
19 the discussions. There are lots of issues that are  
20 raised, and I don't think that we want to imply that  
21 we hadn't thought about the fact that there was an  
22 election. We hadn't thought about the fact that there



1 are so many variables in trying to make some sense out  
2 of this that at some point we just have to go ahead  
3 and bite the bullet and make the decision.

4 John.

5 COMMISSIONER WILHELM: Pursuant to your  
6 suggestion, I move that we adopt the draft meeting  
7 schedule as submitted by the staff with the following  
8 modifications:

9 First, that the March visit could be  
10 someplace in Massachusetts or Connecticut, Boston or  
11 otherwise.

12 Second, that the Mississippi visit be in  
13 Biloxi, which is our marching orders from Dr. Moore,  
14 as I understand it, and that we look at Louisiana  
15 issues at the same time because they are not far apart  
16 from one another.

17 And I would defer to the former lieutenant  
18 governor of California on the timing issue that he  
19 raises on that.

20 So my motion is the staff's report with  
21 those two modifications.

22 CHAIRMAN JAMES: We have a motion. I want

1 to know if there is a second for the motion. Is there  
2 a second?

3 COMMISSIONER LEONE: Second.

4 CHAIRMAN JAMES: There is a second. Okay.  
5 Now we're ready for discussion.

6 Commissioner Dobson.

7 COMMISSIONER DOBSON: Madame Chairman, I  
8 disagree with the motion with regard to Biloxi. It's  
9 my understanding that Las Vegas and Atlantic City and  
10 the Mississippi Gulf Coast represent the three  
11 showplaces of gambling in the United States. That may  
12 not be accurate, but that's my understanding, and it  
13 certainly does not represent the problems that they've  
14 had with gambling in Louisiana, which is why I have  
15 continued to believe that we ought to go there, not to  
16 embroil ourselves in that controversy down there, but  
17 to look at gambling in something less than the kind of  
18 presentations that we heard here this morning.

19 So I would favor our going to Tunica  
20 primarily to also examine what happens in Memphis  
21 where they are close enough to be affected by  
22 gambling, but don't have the supposed benefits of it.

1 We're not going to learn a whole lot new, I don't  
2 think, by going to Biloxi.

3 CHAIRMAN JAMES: Are you recommending  
4 amendment or are you --

5 COMMISSIONER DOBSON: I am speaking  
6 against the motion.

7 CHAIRMAN JAMES: -- just speaking against  
8 that motion?

9 COMMISSIONER DOBSON: Yes.

10 CHAIRMAN JAMES: Any further discussion?

11 Commissioner Lanni.

12 COMMISSIONER LANNI: My discussion has to  
13 do with my original comments relative to moving the  
14 Inglewood visit during July to San Diego area rather  
15 than Inglewood.

16 COMMISSIONER WILHELM: I apologize. I had  
17 intended to include that as a third modification to  
18 the staff plan in my motion, and with the permission  
19 of the seconder, I would like to add that  
20 modification.

21 COMMISSIONER LEONE: Fine.

22 COMMISSIONER LANNI: And one other

1 question. I thought relative to Louisiana, I would  
2 recommend that we do go to Louisiana. I'm under the  
3 impression that legal matter has been resolved. Has  
4 it not or maybe that's incorrect?

5 PARTICIPANT: Yes, it has.

6 COMMISSIONER LANNI: It has been resolved.

7 COMMISSIONER BIBLE: And I think you could  
8 try to schedule Louisiana around the grand jury.  
9 We'll never go to Louisiana.

10 (Laughter.)

11 CHAIRMAN JAMES: Commissioner -- are you  
12 finished? Okay. Commissioner Moore.

13 COMMISSIONER MOORE: Madame Chairman,  
14 regardless of what I might have said in the paper and  
15 regardless of my friend, Mr. Wilhelm, I would change  
16 my mind. I would succumb to other members of this  
17 Commission if the majority of them so wished.

18 I do not have much desire to go to  
19 Louisiana, but certainly it's a place that if we could  
20 help one percent or one-half of one percent, that  
21 would be great because things in Louisiana, even  
22 though they're my sister state and we like to go to

1 New Orleans, you can't tell from day to day what's  
2 going to happen in Louisiana.

3 (Laughter.)

4 COMMISSIONER MOORE: As far as Biloxi, you  
5 know, I've never stated whether I'm pro or con on  
6 gambling. I'm just out there in the midst running  
7 around like in a cotton patch, but Biloxi, as someone  
8 said, as Dr. Dobson said, Biloxi on the surface is  
9 doing things right. It looks pretty good. It looks  
10 real good in comparison to other places.

11 The Mississippi Delta, Tunica is -- all of  
12 these big casinos in the delta out at Tunica and up  
13 and down the Mississippi River, you must understand,  
14 you people that haven't been there. These are out in  
15 cotton patches. These have a canal that connect to  
16 some body of water. Maybe it's the Mississippi, and  
17 they come out in these fields, and these casinos are  
18 there.

19 As far as Memphis, I will disagree with  
20 Dr. Dobson there. You know, Memphis is called the  
21 northern capital of Mississippi sometimes, but most  
22 Mississippians don't care about Memphis.

1                   (Laughter.)

2                   COMMISSIONER MOORE: Now, Memphis, we do  
3 care about them, I guess, if you're going to be for  
4 gambling because a lot of the customers -- you know,  
5 everything's a customer now. Even in medicine you  
6 don't have patients. You have customers -- and a lot  
7 of the customers come from Memphis.

8                   And to make a long story short, maybe we  
9 would get a better view, even though I would love to  
10 see you come to Biloxi; we might get a better view of  
11 what's going on if we went to Tunica and not worry  
12 about Memphis too much. Just worry about the poor  
13 people of Tunica. There are still some poor people up  
14 there and for some reason. You know, that's in the  
15 rich delta land. Everyone ought to be rich.

16                   But I would -- you know, I can live with  
17 it. No pressure is on me from anyone. I'm sort of  
18 surprised down here to see that Senator Lott  
19 recommends Biloxi. Sometimes I wondered if he knew we  
20 were meeting.

21                   (Laughter.)

22                   CHAIRMAN JAMES: John, do you have any



1 Louisiana issue separate from your motion?

2 COMMISSIONER WILHELM: I have no problem  
3 with that.

4 CHAIRMAN JAMES: Well, what did you --  
5 well, let's be clear about what John said in his  
6 motion because I don't think he excluded Louisiana in  
7 his motion.

8 COMMISSIONER WILHELM: Well, I did.

9 CHAIRMAN JAMES: You did?

10 COMMISSIONER WILHELM: I said in my view  
11 we should study Louisiana when we go to Mississippi,  
12 but I have no problem in dealing with Louisiana  
13 separately. That seems sensible to me since there's  
14 a diversity of opinion.

15 CHAIRMAN JAMES: So --

16 COMMISSIONER McCARTHY: Question, Madame  
17 Chair.

18 CHAIRMAN JAMES: Question.

19 COMMISSIONER McCARTHY: Are we talking  
20 about one day in Mississippi and one day in Louisiana?  
21 Is that where we are?

22 CHAIRMAN JAMES: I don't think we've



1 specified that.

2 COMMISSIONER MOORE: You can't go one day  
3 to Tunica and one day to Louisiana.

4 CHAIRMAN JAMES: What was your question?  
5 Were we looking at one day in?

6 COMMISSIONER McCARTHY: Well, I'm  
7 listening to the conversation.

8 COMMISSIONER WILHELM: My motion doesn't  
9 say that now.

10 CHAIRMAN JAMES: His motion does not say  
11 that.

12 COMMISSIONER MOORE: You can go from New  
13 Orleans to Biloxi because that's about 90 miles.

14 COMMISSIONER McCARTHY: All right. I'm  
15 not sure I understand the difference.

16 CHAIRMAN JAMES: Between Tunica and  
17 Biloxi?

18 COMMISSIONER McCARTHY: And Biloxi as far  
19 as the Commission hearing is concerned, and if we were  
20 to go to Tunica, we're much closer to New Orleans --

21 COMMISSIONER MOORE: No, no, no, no.

22 COMMISSIONER McCARTHY: Or pardon me.

1 Biloxi.

2 CHAIRMAN JAMES: Right.

3 COMMISSIONER McCARTHY: We're much closer  
4 to New Orleans should we want to hold part of that  
5 site hearing in Louisiana. Is that --

6 CHAIRMAN JAMES: That's correct.

7 COMMISSIONER McCARTHY: Is that correct?

8 COMMISSIONER MOORE: It could be done.

9 COMMISSIONER McCARTHY: Just inquiring  
10 about some information.

11 COMMISSIONER DOBSON: Excuse me, Madame  
12 Chairman. Are you suggesting that --

13 CHAIRMAN JAMES: The chair recognizes --

14 COMMISSIONER DOBSON: I'm sorry.

15 CHAIRMAN JAMES: -- Mr. Dobson. That's  
16 all right. Dr. Dobson.

17 COMMISSIONER DOBSON: Are you suggesting  
18 we travel on the evening between those two dates?

19 COMMISSIONER McCARTHY: Well, I'd leave  
20 that up to our intrepid staff to figure out how the  
21 logistics might be worked out. They have some time to  
22 do this.

1                   CHAIRMAN JAMES: And I don't think it's a  
2 foregone conclusion yet, based on the motion that's  
3 before us, that we would do Louisiana and Mississippi  
4 in the same visit.

5                   COMMISSIONER McCARTHY: I don't know if  
6 the maker of the motion has strong objection if  
7 logistically it can be worked out by Nancy and the  
8 team.

9                   MS. KENNEDY: We could probably work it  
10 out, but we would probably have to have the Commission  
11 meeting three days instead of two.

12                  CHAIRMAN JAMES: The chair recognizes  
13 Commissioner Leone.

14                  COMMISSIONER LEONE: Yes, I've been a  
15 compliant second on all of this just to move the  
16 discussion along, but I do think in the interest of  
17 practicality and the fact that this is a big country,  
18 it makes sense to think of Biloxi and New Orleans  
19 together or Tunica and Memphis together. It does not  
20 make sense to mix those up.

21                  And I also think as a practical matter it  
22 doesn't make sense to do both given the limited number

1 of places we can go. I mean, I think the fact is, if  
2 I can speak bluntly, you always have the problem of a  
3 community that's been down so long it looks like up to  
4 us, and you're going to have that wherever this  
5 economic activity of any kind is generated, whether  
6 it's gambling or you bring in a plant that  
7 manufactures widgets. You're going to say this is  
8 good for the community, and you know, maybe the  
9 widgets poison the environment or the gambling affects  
10 a lot of people adversely, and you're going to have to  
11 look at that.

12 That's more a question of structuring the  
13 hearings and the discussion and the research. I think  
14 we could probably do that either, either north or  
15 south, in Mississippi.

16 So while Paul is -- Dr. Moore is rapidly  
17 accumulating proxies on this issue, I think we ought  
18 to be able to come up with a package that makes sense  
19 for our visit to that part of the country.

20 There were other places in the country I  
21 was actually kind of interested in going, but I'm not  
22 bring them up because --

1                   CHAIRMAN JAMES:  Thank you.

2                   COMMISSIONER LEONE:  -- I think this is a  
3 full plate.

4                   CHAIRMAN JAMES:  Yes, it is.

5                   COMMISSIONER LEONE:  At least as matters  
6 stand today.

7                   CHAIRMAN JAMES:  That's correct.

8                   The question as I understand it that's  
9 before us is Tunica, Biloxi, Louisiana, Memphis; is  
10 that correct?

11                  Bill.

12                  COMMISSIONER BIBLE:  Perhaps a question of  
13 Dr. Dobson.  Do you think it's more important to go to  
14 Tunica or to Louisiana?

15                  COMMISSIONER DOBSON:  Louisiana if we have  
16 to compromise, and I'm prepared to do that.  Then  
17 Biloxi and New Orleans would be the choice for me.

18                  COMMISSIONER BIBLE:  So then we probably  
19 ought to make that our September meeting.

20                  CHAIRMAN JAMES:  John?

21                  COMMISSIONER WILHELM:  If that suits Jim  
22 and Dr. Moore, then we could make that the final part

1 of the motion, if Richard is still compliant as the  
2 seconder.

3 CHAIRMAN JAMES: How is our compliant  
4 second doing down there?

5 COMMISSIONER WILHELM: Well, since he  
6 suggested it, I think --

7 COMMISSIONER LEONE: I just respond to the  
8 nudges I get from --

9 (Laughter.)

10 COMMISSIONER LEONE: That's fine.

11 CHAIRMAN JAMES: Okay. To be clear --

12 COMMISSIONER McCARTHY: Madame Chair, now  
13 that that knotty problem is solved, may I --

14 CHAIRMAN JAMES: Well, not entirely there.  
15 We do have a motion.

16 COMMISSIONER McCARTHY: We're still on the  
17 motion.

18 CHAIRMAN JAMES: And we're having a  
19 discussion on that motion.

20 COMMISSIONER McCARTHY: On the California  
21 meeting, may I point out that our colleague,  
22 Commissioner Lanni, has proposed that we go into the

1 hot desert that has about 100 to 110 degrees in the  
2 San Diego area.

3 Now, I know every member of the Commission  
4 is willing to march to the Hill to get the work of the  
5 Commission done, but I wonder if literally you wanted  
6 to do that.

7 My other argument didn't work for moving  
8 the time of the California meeting.

9 CHAIRMAN JAMES: Can I go back to the --  
10 because I think the motion that's before us right now  
11 is a very specific one, and then we can move to the  
12 discussion of California. Your motion did not -- oh,  
13 yes, it did. It did. It's entirely appropriate.  
14 Please go right ahead. It did include California.

15 COMMISSIONER WILHELM: Yeah, what's the  
16 alternative? Because if you're trying to get out of  
17 the heat, if you flip Las Vegas and San Diego, you  
18 don't accomplish very much. It ain't exactly cool.

19 I have no problem with that.

20 CHAIRMAN JAMES: The chair recognizes  
21 Commissioner Lanni.

22 COMMISSIONER LANNI: The issue, with all

1 due respect to traveling on Fridays, Governor, and hot  
2 weather, the issue has to be if we want to cover  
3 parimutuel horse racing. If we want to do it, we  
4 should do it in that period of time, and those dates  
5 have been approved. That would cover Del Mar  
6 Racetrack.

7 And if you stay at the track and not go  
8 into the Native American casino, it's very cool with  
9 the breezes coming from the ocean.

10 (Laughter.)

11 COMMISSIONER LANNI: We'll take pictures,  
12 Governor, and show them to you.

13 CHAIRMAN JAMES: Any further questions?

14 COMMISSIONER BIBLE: Done in.

15 CHAIRMAN JAMES: Done in.

16 COMMISSIONER DOBSON: Call for the  
17 question.

18 CHAIRMAN JAMES: I have a call for the  
19 question from Commissioner Dobson. Are you prepared  
20 to vote?

21 All in favor, aye.

22 (Chorus of ayes.)



1           CHAIRMAN JAMES: All opposed?

2           (No response.)

3           CHAIRMAN JAMES: The ayes have it.

4           With that I'm going to ask the staff to  
5 pay careful attention to the transcript and the  
6 discussion that's gone on here and to make sure that  
7 we accommodate the will of the Commission, and that we  
8 would get that out to you in paper form some time  
9 within the next week or two so that we could have that  
10 for our schedules.

11          MS. KENNEDY: Madame Chair.

12          CHAIRMAN JAMES: Yes.

13          MS. KENNEDY: Could I clarify one thing?  
14 That staff will upon returning to our office send out  
15 a memo checking with you on the dates for May,  
16 correct?

17          COMMISSIONER WILHELM: Well, I thought we  
18 approved them all.

19          CHAIRMAN JAMES: I thought we approved  
20 them all.

21          MS. KENNEDY: Oh, okay. That's great.

22          CHAIRMAN JAMES: Yes, we did May.

1 MS. KENNEDY: Okay. Thank you.

2 COMMISSIONER DOBSON: But we have not  
3 approved subject matter yet.

4 CHAIRMAN JAMES: We have not approved  
5 subject matter yet.

6 MS. KENNEDY: Correct.

7 CHAIRMAN JAMES: We looked at the dates.  
8 We've looked at the sites and locations. We've only  
9 looked at subject matter, and we have not done  
10 anything in a formalized way on the subject matter for  
11 the Boston meeting, and I think it's appropriate to  
12 talk about that at this particular point in time, to  
13 finalize that to make sure that the staff has clear  
14 direction as they go back as to what we hope to  
15 accomplish in our site visit there.

16 Discussion.

17 COMMISSIONER WILHELM: Well, having been  
18 tagged with suggesting it, my view is we ought to talk  
19 about the lottery and the advertising and state and  
20 local revenue issues that are related to that, and we  
21 ought to talk about Indian gaming, recognizing that  
22 we're also going to talk about Indian gaming somewhere

1 later, and the intergovernmental issues that are  
2 related to that.

3 CHAIRMAN JAMES: And I did think that I  
4 heard the clear suggestion that it include a side trip  
5 to Foxwoods for those Commissioners who wanted to do  
6 that; is that correct?

7 COMMISSIONER WILHELM: Yes, although in my  
8 view that ought to be actually part of the agenda  
9 because I think everybody ought to see that thing.

10 CHAIRMAN JAMES: All right.

11 COMMISSIONER McCARTHY: May I ask my  
12 colleague --

13 CHAIRMAN JAMES: You may ask, of course.

14 COMMISSIONER McCARTHY: John, lotteries by  
15 itself is an enormous universe --

16 COMMISSIONER WILHELM: Yes.

17 COMMISSIONER McCARTHY: -- that has many  
18 pieces to it. Are you proposing we also get into  
19 Indian gambling issues at this meeting?

20 COMMISSIONER WILHELM: If the conclusion  
21 of the staff and the Commissioners was that -- and I  
22 say this because I don't know anything about lotteries

1 -- but if the conclusion of the staff and the  
2 Commissioners was that an entire agenda other than a  
3 physical trip to Foxwoods could constructively and  
4 productively be occupied by the lottery and  
5 advertising and the economic and social impacts  
6 related to the lottery, then I have no objection to  
7 considering the issue of the intergovernmental  
8 relations aspects, as well as the economic and social  
9 aspects, of Native American gaming be dealt with  
10 later.

11               However, I do think it's very important  
12 that we include in the formal agenda a site visit to  
13 Foxwoods, and I would doubt realistically that in the  
14 Southern California/Arizona visit that we have posited  
15 that we could cram into one agenda parimutuel betting,  
16 card clubs, and Native American issues.

17               That's why I thought we ought to spend  
18 some time in New England on Native American issues.  
19 I also think that there's some people in Connecticut,  
20 including both the Foxwoods people themselves, the  
21 people from the Massentucket-Pequod Tribe,  
22 as well as, for example, I know some of the officials

1 of the State of Connecticut, as well as some of the  
2 towns surrounding the casino, all have a strong  
3 interest in this.

4               So that was the basis for my suggestion  
5 that we consider both at that meeting. I just don't  
6 see how we can look at all of the issues pertaining to  
7 Native American gaming in the course of the  
8 California/Arizona meeting, given the other subjects,  
9 and again, I think there are people up there that we  
10 really ought to hear from.

11              However, I would defer to the staff and  
12 the Commissioners if people think that we ought to  
13 spend all of the available time on the lottery other  
14 than a physical visit to Foxwoods.

15              CHAIRMAN JAMES: Any other discussion?

16              Commissioner Leone.

17              COMMISSIONER LEONE: I think that  
18 Massachusetts is a particularly good case of  
19 irrational state tax policy. There are 49 other cases  
20 I could give you.

21              (Laughter.)

22              COMMISSIONER LEONE: But Massachusetts is

1 actually quite remarkable. There's even a referendum  
2 issue this year which is being challenged in court  
3 about the income tax, and I think that while we might  
4 not ordinarily do it, it's also -- Boston is the home  
5 of an awful lot of intellectual talent, including some  
6 distinguished people in public finance. I think it  
7 would be interesting to have a presentation about the  
8 place of the lottery, the history of the lottery, the  
9 political imperatives that drive people to introduce  
10 lotteries as a way of filling revenue gaps and  
11 elaborate on the lotteries.

12 I've been impressed over the last two  
13 decades by the willingness of people, regardless of  
14 their ideology and political affiliation, to under the  
15 right circumstances come up with a new lottery game as  
16 a way of taking some revenue pressure off them, and I  
17 just hope we get into that context.

18 I think that one of the things that  
19 concerns me greatly is the reliance on regressive  
20 taxes to finance public services, and the lottery is  
21 one of those taxes, although it is -- people can argue  
22 it's a tax you choose to pay by buying the ticket, but

1     you can argue that about a lot of things.

2                     And I just think we ought to have a  
3     presentation that has that context of revenues in  
4     Massachusetts and of the continuing controversies, and  
5     the aggressive advertising, in my judgment, is clearly  
6     a product of the relentless need to fill revenue gaps  
7     because they don't have a sensible system of financing  
8     state services year in and year out.

9                     So I just would comment that. In some  
10    respects that is something, I think, that's duplicated  
11    around the country and really explains the  
12    proliferation of lotteries.

13                    CHAIRMAN JAMES: Commissioner Dobson.

14                    COMMISSIONER DOBSON: Generally having  
15    agreed that we're not going to get terribly specific  
16    regarding the content and the subject matter for each  
17    one of these, I would just like to kind of plant a  
18    seed with reference to future discussions when we do  
19    get more detailed about that.

20                    There's no reference in anything I heard  
21    today with regard to the impact of gambling on  
22    families. I'm not sure how to get at that in a

1 meeting, but it has such significance, and it's such  
2 an important question that somewhere in there we  
3 really do need, I think, to address that general  
4 subject.

5               CHAIRMAN JAMES: I think that there's the  
6 opportunity to do that when we look at the panels that  
7 we have of experts that will look at the economic and  
8 at the social at every meeting; that certainly within  
9 those social panels ought to be the opportunity to  
10 have someone that would address these impacts on  
11 families, and I think that will come out. I think  
12 we'll even see some of that tomorrow in our panels and  
13 in our discussions.

14              COMMISSIONER DOBSON: For my part, I would  
15 like the staff to work on that and to put that into  
16 some future meeting.

17              CHAIRMAN JAMES: Well, I hope that it will  
18 be a part of every meeting --

19              COMMISSIONER DOBSON: Yes.

20              CHAIRMAN JAMES: -- that we have because  
21 we're interested in the impact on not only  
22 communities, but on individuals as well.



1                   Any further discussion on our Boston  
2 meeting and what you'd like to see included there?

3                   Nancy, did you have a point of --

4                   MS. KENNEDY: Just one point for the  
5 Commissioners' consideration. I received a call from  
6 the Governor of Connecticut's director for his  
7 Washington office indicating that if we did come to  
8 New England, that they were very interested in  
9 testifying.

10                  CHAIRMAN JAMES: Based on our discussion,  
11 what I'd like to instruct the staff to do is to put  
12 together a recommended agenda that will be circulated  
13 among all of the Commissioners, and at that point in  
14 time we would have the opportunity to edit, to make  
15 some further additions, and again, I would ask  
16 Commissioners to understand the extraordinary task of  
17 trying to put together a two-day meeting that is  
18 inclusive and covers a lot of territory, and we will  
19 not be able to accommodate every request, but I think  
20 we will work very hard to try to make sure that when  
21 we go to that particular location, that we have a very  
22 thorough subject matter discussion, as well as the

1 opportunity to do the site visit.

2                   Having said that, any further discussion  
3 on the work plan?

4                   Where I perceive we are is that we have  
5 resolved the dates. We have resolved the locations,  
6 and we've looked at one meeting, the next meeting.  
7 That's Boston, and that we would delay any further  
8 discussion on the subject matter of future meetings  
9 until we get past that one.

10                  Okay. Nancy, I'll ask at this point that  
11 you continue with your report.

12                  MS. KENNEDY: I think I have regrouped on  
13 the budget if we can go back to that. The revised  
14 draft budget that you have, which is the two column,  
15 that is the staff recommendation on the use of the  
16 additional \$1 million. As you see --

17                  CHAIRMAN JAMES: It says --

18                  MS. KENNEDY: Pardon me?

19                  CHAIRMAN JAMES: I want to make sure we're  
20 all looking at the same piece of paper and that we all  
21 have it in front of us. Revised draft budget. It has  
22 the four million, \$5 million figures at the bottom.

1 Are we all there?

2 Okay. We're all together.

3 MS. KENNEDY: Okay. This represents the  
4 staff's thoughts on the use of the additional \$1  
5 million. I reserved some money in staff  
6 compensation should we come to unmet needs staff-wise,  
7 for instance, if we need a talented writer in doing  
8 the final report.

9 The rest of the money pretty much stays  
10 the same, most of it going to the research, pure  
11 research itself.

12 The only thing that we did add a little to  
13 the meetings, and that's because we have no sense  
14 right now as to what the site visits are going to  
15 cost, and once we have gone through the expenses for  
16 this meeting, we can get a rough idea of what the six  
17 are going to cost, but it's easier --

18 CHAIRMAN JAMES: And it may make our  
19 entire previous discussion moot because we will be  
20 meeting at Nancy's home and discussing all of these  
21 issues.

22 MS. KENNEDY: Anyhow, I figured it's

1 easier to move money out of the line than to add it  
2 back in.

3 And also, it is at the discretion of the  
4 Commissioners and the Chair especially. These lines  
5 are not set in concrete at all. They can be moved.

6 CHAIRMAN JAMES: John.

7 COMMISSIONER WILHELM: I explicitly  
8 supported the -- I'm sorry. Let me start that  
9 sentence again.

10 We were asked, if my memory is correct, by  
11 fax because of a timing issue related to the process  
12 on Capitol Hill, to indicate whether or not we  
13 supported the request to the Congress for an  
14 additional \$1 million in funding, and I supported that  
15 request explicitly on the basis that the additional  
16 million would go to research, and it is my impression,  
17 perhaps erroneously, that other Commissioners  
18 supported it in the same fashion.

19 This revised budget, if I do the math  
20 right, devotes 780,000 of the additional million to  
21 research, and I would not have supported it if I  
22 thought that's what was happening.

1           And I believe -- and I may be wrong about  
2 this because I don't know very much about the costs of  
3 this national prevalence survey for which an RFP has  
4 been issued -- but I believe that from what I gleaned  
5 from Dr. Kelly and Dr. Reuter that the cost of that  
6 thing will be impressive, and in particular because at  
7 the specific request of one or more Commissioners, the  
8 RFP was amended late in the game, and I didn't oppose  
9 this, to include the possibility of surveying not only  
10 adults, but also teens.

11           And the original reason that the staff and  
12 the consultant recommended people 18 years and older  
13 in the national prevalence survey, there were two  
14 reasons that recommendation was made originally by the  
15 staff and the research consultant, but one of them was  
16 cost.

17           So my guess is that even if the full \$1  
18 million of additional appropriation that was provided  
19 by the Congress is added to the research allocation,  
20 they're not going to be able to do the things that  
21 we've already agreed to do anyway.

22           So to that extent I differ with the draft

1 budget. I believe that the entire million should have  
2 been added to the research line.

3 CHAIRMAN JAMES: You have a discussion?

4 COMMISSIONER BIBLE: And I would concur  
5 because I supported the additional million dollars on  
6 the same assumption you did, that it would all be  
7 devoted to research. Now the way the budget is  
8 proposed is that the million dollars would get  
9 expensed with about \$780,000 going into research and  
10 an additional \$147,000 into staff, 67.5 into meetings,  
11 and \$5,000 into supplies.

12 Perhaps in order to move things along what  
13 we ought to do at this point is allocate the 780 to  
14 research and then hold the other in some sort of a  
15 reserve category until we get finite numbers that we  
16 can deal with and make some sort of logical decision  
17 as to where it be deployed.

18 CHAIRMAN JAMES: Do you want to put that  
19 in the form of a formal motion or --

20 COMMISSIONER BIBLE: I'd make that as a  
21 motion.

22 COMMISSIONER DOBSON: Could you repeat

1 that, please?

2 COMMISSIONER BIBLE: Well, of the million  
3 dollars, take the \$780,000, which has been suggested  
4 to be allocated to research, and allocate that amount  
5 to research. Take the remainder and put it into a  
6 reserve category to be deployed to the budget when we  
7 have some hard cost data from the RFP and everything  
8 else.

9 COMMISSIONER LANNI: I second it.

10 CHAIRMAN JAMES: Is anyone ready to call  
11 for the question?

12 COMMISSIONER LANNI: I'll call the  
13 question.

14 CHAIRMAN JAMES: All in favor?

15 (Chorus of ayes.)

16 CHAIRMAN JAMES: Any opposed?

17 (No response.)

18 CHAIRMAN JAMES: Then that's how we will  
19 proceed.

20 COMMISSIONER DOBSON: Madame Chairman.

21 CHAIRMAN JAMES: The chair recognizes Dr.  
22 Dobson.

1                   COMMISSIONER DOBSON: Looking at the  
2 amount of money for research, again, takes us back to  
3 what we've already spent. You know, NCR is 625,000,  
4 and we're now talking 475 or four-something for ACIR.  
5 I don't know what we'll wind up doing on that, but  
6 that's 1.1 million of the two million, now 2.1  
7 million, I guess, that we have allocated for research.  
8 We're going to get a big shock when the ticket comes  
9 back on everything that we wanted to do.

10                   I lost a vote eight to one about not  
11 spending that 625,000 until we saw what else we were  
12 going to try to do. I still think it was a mistake,  
13 and I think we're in for real difficulty when all of  
14 these researchers come back.

15                   We're not about to do the things we've  
16 outlined for \$900,000 or even a million.

17                   CHAIRMAN JAMES: And I think this is a  
18 good conversation to have in light of the previous  
19 conversation about these various site visits, and we  
20 may have to make a decision at some point of giving up  
21 one or two of those visits in order to allocate that  
22 money for research. I mean, we're going to have some



1 tough budgetary decisions to be made at some point in  
2 the future.

3 Thank you.

4 Anything else?

5 MS. KENNEDY: Yes, Madame Chairman. The  
6 last issue deals with communications. Were you going  
7 to -- did you address the Web site or are you going to  
8 do that?

9 CHAIRMAN JAMES: I'm going to do that in  
10 the old business.

11 MS. KENNEDY: Okay. That concludes my  
12 report.

13 Thank you. If there are any questions  
14 further.

15 CHAIRMAN JAMES: Any additional questions  
16 for the Executive Director based on her report?

17 (No response.)

18 CHAIRMAN JAMES: We just have one or two  
19 items of old business, and I wanted to update the  
20 Commission on those.

21 We specifically talked about the National  
22 Research Council contract. It has been distributed to